

April 2, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR RE-LEASE
BOARD OF SUPERVISORS
5264 EAST BEVERLY BOULEVARD, LOS ANGELES
(FIRST) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached five-year re-lease with Sophia and David Garcia (Lessor), for 2,328 rentable square feet of office space including five reserved parking spaces, located at 5264 East Beverly Boulevard, Los Angeles, for the Board of Supervisors First District Field Office, at an initial annual rent of \$39,669, all of which is net County cost.
2. Find that the proposed lease is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061(b)(3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO) and the First Supervisorial District to implement the project. The lease will be effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the proposed action will allow the First Supervisorial District to continue operating its field office with eight full-time employees at this location.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2), as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The initial annual cost of this lease will be \$39,669.

5264 E. Beverly Blvd.	Existing Lease	Re-Lease	Change
Area Term	2,328 sq. ft. 1/22/01-1/21/02 Month-to-month since 1/22/02	2,328 sq. ft. 5 years	None Add'l 5 years
Annual Rent	\$30,000 (\$12.89/sq.ft.)	\$39,669 (\$17.04/sq.ft.)	\$9,669
TI's included	None	Interior painting	Interior Painting
Option to Renew	None	None	None
Cancellation	Anytime upon 90 days notice	Anytime after 1st year upon 90 days notice	None
Parking included in Rent	5 spaces	5 spaces	None

Sufficient funding for the proposed lease is included in the 2001-02 Rent Expense Budget and will be charged back to the Board of Supervisors. Sufficient funding is available in the Board of Supervisors' 2001-02 budget to cover the projected lease costs. All costs attributed to this lease will be 100 percent net County costs.

The monthly rent under the proposed new lease is subject to an annual adjustment based on the Consumer Price Index not to exceed 4 percent. Moreover, the rental rate is subject to a one-time increase, after the third year, in the amount of \$6,984 annually or \$3.00 per square foot per year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Field Office provides walk-in consultation and referral services as the community liaison for Supervisor Molina and the First District constituents.

The proposed five-year lease comprises 2,328 square feet of office space, five parking spaces and the following provisions:

- The current month-to-month, holdover tenancy will terminate upon commencement of the new term, which will be effective upon Board approval and will terminate five years thereafter.
- Modified full service, whereby the Lessor is responsible for maintenance, property taxes and insurance costs, and the County is responsible for utilities and janitorial costs.
- A cancellation option allowing termination at or anytime after the first year by providing the Lessor 90 days prior written notice.
- Tenant improvement work involving new interior paint to be performed by the Lessor at its sole cost.
- No County Project Manager or employee, including the CAO, is authorized to approve any expenditure not expressly pre-approved by the Board of Supervisors. The Board of Supervisors will not approve retroactive expenditures. Any unapproved expenditure by the Lessor, even if it benefits the County, shall not be recovered by Lessor who shall solely bear the risk of loss for incurring such liability as stated in Paragraph 30 of the lease.

Attachment B shows all County-owned and leased facilities within the search area for this program. There are no County-owned or leased facilities available for this program.

The Honorable Board of Supervisors
April 2, 2002
Page 4

CAO Real Estate staff surveyed the East Los Angeles and Montebello area to determine the market rate of comparable sites. Based upon said survey, staff has determined that the base rental rate range including parking for similar property in the designated area is between \$16.80 and \$20.40 per square foot per year for a modified gross lease. Therefore, the proposed rent of \$17.04 per square foot is at the low end of the market range.

The Department of Public Works has inspected this facility and has determined it to be suitable for County occupancy.

The proposed lease is too small for a child care facility to be incorporated into the premises. A child care facility will be included in the East Los Angeles Civic Center when the project is completed.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed lease is in the best interest of the County and will adequately provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the Executive Office concurs with this recommendation.

The Honorable Board of Supervisors
April 2, 2002
Page 5

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two original copies of the executed Lease and Agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, Third Floor, Los Angeles, CA 90012.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:KW:hd

Attachments (4)

c: County Counsel
Auditor-Controller
First Supervisorial District
Executive Office

ATTACHMENT A

BOARD OF SUPERVISORS , FIRST DISTRICT FIELD OFFICE 5264 EAST BEVERLY BLVD., LOS ANGELES

Asset Management Principles Compliance Form¹

1. Occupancy

	YES	NO	NA
A Does lease consolidate administrative functions? ²	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B Does lease co-locate with other functions to better serve clients? ² Other functions to remain at Civic Center until the ELA Civic Center is ready.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C Does this lease centralize business support functions? ²	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
D Does lease meet the guideline of 200 sf of space per person? ² 2328/8 = 291 sf per person. This field office requires more space to accommodate visitors.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. Capital

A Should program be in leased space to maximize State/Federal funding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B If not, is this a long term County program?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C Is it a net County cost (NCC) program? List % NCC 100.00%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D If yes to 2 B or C; capital lease or operating lease with an option ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E If no, are there any suitable County owned facilities available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
F If yes, why is lease being recommended over occupancy in County owned space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
G Is Building Description Report attached as Attachment B? ²	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H Was build to suit or capital project considered? ² This program will be relocated to the ELA Civic Center.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Portfolio Management

A Did department utilize CAO Space Request Evaluation(SRE)? ² This high priority re-lease is being expedited by management, and due to time constraints the SRE process was circumvented.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B Was the space need justified?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C If a renewal lease, was co-location with other County departments considered?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D Why was this program not co-located?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. <input type="checkbox"/> The program clientele requires a "stand alone" facility.			
2. <input checked="" type="checkbox"/> No suitable County occupied properties in project area.			
3. <input checked="" type="checkbox"/> No County owned facilities available for the project			
4. <input type="checkbox"/> Could not get City clearance or approval			
5. <input checked="" type="checkbox"/> The Program is being co-located into the ELA Civic Center when that project is completed.			
F Has growth projection been considered in space request?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
G Has the Dept. of Public Works completed seismic review/approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ As approved by the Board of Supervisors 11/17/98

Please BOLD any written responses

² If not, why not?

ATTACHMENT B

BOARD OF SUPERVISORS , FIRST DISTRICT FIELD OFFICE 5264 EAST BEVERLY BLVD., LOS ANGELES

SPACE SEARCH- EAST LOS ANGELES AND MONTEBELLO

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
5428	DPSS-BELVEDERE AP DISTRICT OFFICE	5445 E. WHITTIER BLVD, LOS ANGELES 90022	70493	49261	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE	214 S. FETTERLY AVE., LOS ANGELES 90022	126972	63347	FINANCED	NONE
A460	HEALTH-FERGUSON ADMINISTRATIVE SERVICES CENTER	5555 FERGUSON DR., COMMERCE 90022	268400	246550	LEASED	NONE
Z110	HSG AU- NUEVA MARAVILLA OFFICE	4919 E. CESAR CHAVEZ AVE., LOS ANGELES 90022	0	0	OWNED	NONE
Z367	HSG-HOUSING AUTHORITY OFFICES	4800 E. CESAR CHAVEZ AVE., LOS ANGELES 90022	0	0	OWNED	NONE
T509	PARKS & REC-PROPOSITION A FIELD OFFICE	4914 E. CESAR CHAVEZ AVE., LOS ANGELES 90022	540	424	OWNED	NONE
4364	PROBATION-EAST LOS ANGELES OFFICE	144 S. FETTERLY AVE., LOS ANGELES 90022	15584	11327	OWNED	NONE
5412	LIBRARY-EAST LOS ANGELES BRANCH	4801 E. 3 RD ST., LOS ANGELES 90022	14848	11740	OWNED	NONE
2130	PUBLIC WORKS-DIV. 142 MAINTENANCE YARD	4304 EUGENE ST., LOS ANGELES 90022	397	227	OWNED	NONE
A029	PUBLIC WORKS-EAST LOS ANGELES DISTRICT OFFICE	5119 E. BEVERLY BLVD., LOS ANGELES 90022	3385	2358	LEASED	NONE
D090	LIBRARY-CHET HOLIFIELD BRANCH	1060 S. GREENWOOD AVE., MONTEBELLO 90640	5692	4601	LEASED	NONE
5395	LIBRARY-MONTEBELLO BRANCH	1550 W. BEVERLY BLVD., MONTEBELLO 90640	50530	23989	OWNED	NONE